

Part 3. Standards of Conduct.

§ 55-8-30. General standards for directors.

(a) A director shall discharge the director's duties as a director, including the director's duties as a member of a committee or subcommittee, in accordance with all of the following:

- (1) In good faith.
- (2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- (3) In a manner the director reasonably believes to be in the best interests of the corporation.

(b) In discharging the duties of a director's office, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

- (1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented.
- (2) Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within their professional or expert competence.
- (3) A committee or subcommittee of the board of directors of which the director is not a member if the director reasonably believes the committee or subcommittee merits confidence.

(c) A director is not entitled to the benefit of subsection (b) of this section if the director has actual knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (b) of this section unwarranted.

(d) A director is not liable for (i) any action taken as a director, or any failure to take any action, if the director performed the duties of the director's office in compliance with this section or (ii) any failure to offer the corporation the right to have or participate in a business opportunity prior to the pursuit or taking of the opportunity by the director or other person if the corporation's articles of incorporation include a provision authorized by G.S. 55-2-02(b)(4) and the procedures and approvals required by the provision, if any, were complied with or obtained prior to the pursuit or taking of the opportunity by the director or other person. The duties of a director weighing a change of control situation shall not be any different, nor the standard of care any higher, than otherwise provided in this section.

(e) A director's personal liability for monetary damages for breach of a duty as a director may be limited or eliminated only to the extent permitted in G.S. 55-2-02(b)(3), and a director may be entitled to indemnification against liability and expenses pursuant to Part 5 of Article 8 of this Chapter. (1955, c. 1371, s. 1; 1989, c. 265, s. 1; 1993, c. 552, s. 11; 2018-45, s. 10.)